

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 2009-49-E - ORDER NO. 2009-134

MARCH 5, 2009

IN RE: Application of South Carolina Electric and Gas Company for Approval to Sub-Divide Real Property	) ORDER APPROVING ) SUBDIVISION OF REAL ) PROPERTY
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This matter comes before the Public Service Commission of South Carolina (“Commission”) on the request of South Carolina Electric & Gas Company (“SCE&G” or “the Company”) for approval of the subdivision of certain real property owned by the Company.

By Order No. 2008-127, this Commission authorized SCE&G to sell approximately 43.5 acres of real property near the Intersection of Highway 6 and 60 in the vicinity of Irmo, South Carolina (“Village Tract”) to Johnson Development Associates, Inc. (“Johnson Development”). SCE&G and Johnson Development (under the contract name Lake Murray Village Tract, LLC) have executed an Agreement of Sale and Purchase regarding the Village Tract (“Agreement”).

It is the Company’s understanding that Johnson Development intends to develop the Village Tract as a mixed use residential and commercial community. As part of its planned use for the Village Tract, and to comply with South Carolina law and Lexington County land-use regulations, Johnson Development must construct a storm water treatment and detention pond (“Detention Pond”) which will collect rain runoff from the

higher elevated areas of the property. The purpose of the Detention Pond is to allow pollutants and other particulate material resulting from the runoff to settle out of the water and dissolve through biological processes. At the time Johnson Development executed the Agreement, it believed that a 0.09 acre detention pond would be sufficient to collect the rain runoff.

As part of the Agreement and prior to closing the real estate transaction with SCE&G, Johnson Development had the right to inspect the Village Tract to determine whether the property was suitable for Johnson Development's intended use. During inspection, Johnson Development determined that a larger detention pond would be required. More specifically, a 1.55 acre detention pond was necessary. Based upon Johnson Development's intended use of the Village Tract, there is not sufficient acreage at the property to construct the necessary 1.55 acre detention pond.

SCE&G owns a tract of land adjacent to the Village Tract ("SCE&G Tract"). The SCE&G Tract consists of approximately 25 acres and is currently classified as utility property. SCE&G has no future plans or use for the SCE&G Tract. In its discussions with Johnson Development concerning the need for a larger detention pond, SCE&G advised Johnson Development of the SCE&G Tract and stated that the Company would be willing to transfer approximately 1.55 acres of the SCE&G Tract to Johnson Development to construct the necessary detention pond in exchange for sufficient compensation. In order to effectuate this transaction, however, SCE&G would need to subdivide the SCE&G Tract. Although no appraisal has been performed of the SCE&G

Tract, the Company believes that, if subdivided, the 1.55 acre tract would have a fair market value of approximately \$40,000.

During its discussions concerning the SCE&G Tract, Johnson Development informed the Company that as it begins to develop the Village Tract, it will generate a substantial quantity of fill material in the rough grading of the property. The Company desires to obtain the fill material because it can be used to create an earthen, exterior shell for a nearby ash pile adjacent to an existing hydroelectric generating facility, Saluda Hydro. In exchange for the 1.55 acres, including necessary easements to construct, maintain and access the detention pond and its associated facilities, Johnson Development has agreed to provide fill material to SCE&G of not less than 40,000 cubic yards and not more than 100,000 cubic yards loaded at the Village Tract for transportation by SCE&G to its nearby ash pile. If the Company was required to purchase this same quantity of fill material, which it will need to do if this transaction does not occur, the cost would be approximately \$3.75 to \$4.00 per cubic yard or a minimum of \$150,000 to a maximum of \$400,000. Johnson Development would benefit from this transaction by ridding itself of the unnecessary fill material on the site. Therefore, it is more cost effective to transfer the 1.55 acre tract to Johnson Development in exchange for fill material generated at the Village Tract rather than receive a direct payment of \$40,000 from Johnson Development and then purchase the necessary fill material from another supplier at the anticipated costs described above.

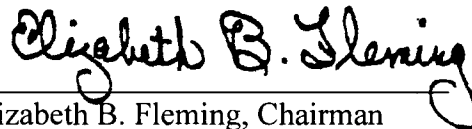
By Order No. 92-931, the Commission approved certain recommendations and reporting requirements regarding real property owned by SCE&G. Among the

recommendations and reporting requirements related to real property, the Order states, “[b]efore a tract of land is subdivided into parcels that have market values of less than \$150,000, the Company must file such proposed partitioning with the Commission for review. If the Commission deems any further action necessary, such action will be taken.” [Appendix A to Order, p. 21]. The Company has notified this Commission of a proposed subdivision of real property owned by SCE&G, and requests that we review the proposed partitioning of the SCE&G Tract, and approve the proposed subdivision of the property without notice or hearing.

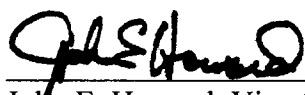
We have reviewed this matter, and hereby approve the subdivision of the SCE&G Tract as requested, without notice or hearing. We believe that the transaction is fair and reasonable as described, and we do not believe that any further action is necessary.

This Order shall remain in full force and effect until further order of the Commission.

BY ORDER OF THE COMMISSION:

  
Elizabeth B. Fleming, Chairman

ATTEST:

  
John E. Howard, Vice Chairman  
(SEAL)